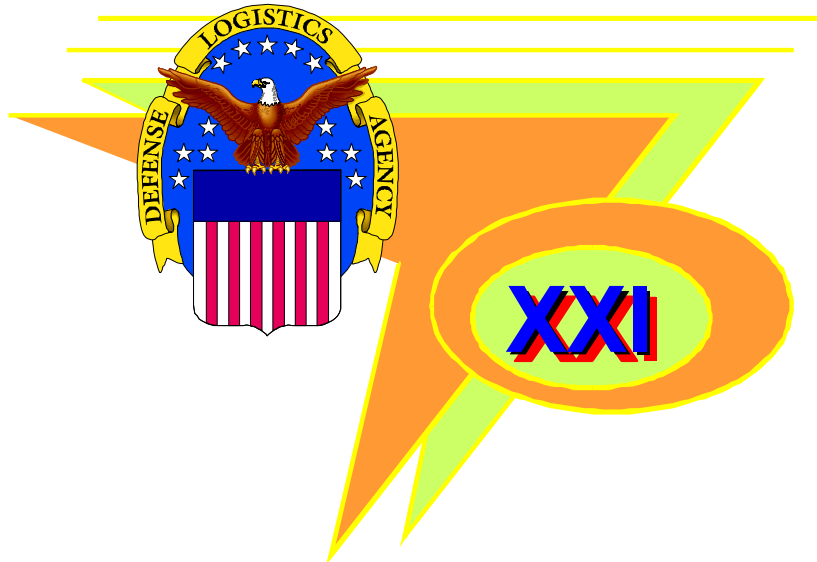


# **A BUYER'S GUIDE TO: PREAWARD SURVEYS**

**Defense Contract Management Command**



***WHAT YOU NEED TO KNOW...***

## INTRODUCTION:

The **Defense Logistics Agency (DLA)** is a logistics combat support agency whose primary role is to provide supplies and services to America's military forces worldwide. The **Defense Contract Management Command (DCMC)**, an arm of DLA, provides customer focused contract management services throughout the acquisition life cycle. We conduct nearly all of the preaward surveys requested by government buying activities including National Aeronautics and Space Administration (NASA) and other federal and state agencies.

## OVERVIEW:

Just as a creditor checks an applicant's credit history before approving a loan, the United States Government often reviews prospective suppliers' production capability, technical and financial capability, as well as their ability to deliver quality products/services in accordance with the contract specifications and delivery schedules. To assure the supplier is sufficiently responsible to fulfill all terms of the contract, the Government conducts a review process known as a preaward survey. *There are basically three types of Preaward Surveys: Informal, Formal, and Short Form.*

Below, you will learn why we--DCMC--conduct a preaward survey, how the process works, what the survey team looks for, and how you as a buyer can take advantage of this valuable tool to assist in making your supplier responsibility determinations.

## WHY WE CONDUCT PREAWARD SURVEYS:

The Federal Acquisition Regulation (FAR) Part 9 establishes the requirements governing supplier qualifications, and responsibility determinations. Subpart 9.106 governs Preaward Surveys. To defend the United States, our armed forces require the right item at the right time for the right price. As such, they must rely heavily on the business community for goods and services. When we conduct a preaward survey, we are assessing whether the supplier has the proper capabilities and financial resources to support the solicitation requirements.

If we have successfully procured the same products from a supplier on a previous acquisition, or if enough information is available from previous preaward surveys to make a responsibility determination, we may not require an additional preaward survey. If the prospective supplier is new to Government work or if the buying activity has doubts about the supplier's ability to perform, we will usually conduct a preaward survey at the buying activity's request.

## HOW THE PREAWARD SURVEY PROCESS WORKS:

The process begins with a buying activity's request for a survey and concludes with a procuring contracting officer's decision. The process and the various types of surveys are as follows:

## INFORMAL PREAWARD SURVEY:

- The buying activity requests information regarding a prospective supplier. This call is placed to the cognizant Preaward Survey Manager (PASM). This type of request is usually limited to information readily available to the PASM and can be responded to the same business day in most cases.
- The cognizant PASM will research all available data sources in order to obtain the necessary information. Records of informal preaward activity are maintained by the PASM.
- The PASM responds to the buying activity and provides the requested information including a recommendation regarding the need for a formal preaward survey.

## FORMAL PREAWARD SURVEY:

- The buying activity requests a preaward survey by filling out a **Standard Form 1403**. This form contains relevant information about the contract being awarded; it also tells the survey team which areas require evaluation before the contract is awarded. Advance notification to the cognizant PASM to advise of the forthcoming preaward survey request can save time.
- Upon completion of the survey, the team reports their findings to the PASM who analyzes and reconciles the data as necessary. The PASM then notifies the buying activity of the survey results and recommendations and forwards the written report.

## SHORT FORM PREAWARD SURVEY:

- A Short Form preaward survey is essentially the same as a formal survey; however, *it is much faster but equally as detailed. Assuming the necessary data is available, this is the most efficient method of responding to Preaward Survey requests. Under this option*, the cognizant DCMC PASM has determined that sufficient information is readily available that will satisfy the preaward survey request without having to conduct an on-site survey. In these cases, the PASM will contact the requesting activity and assure there are no concerns with conducting the survey in this fashion. If the buying activity agrees, the PASM will generate the written report using the available data and forward the report to the buying activity.

## WHAT THE DCMC PREAWARD SURVEY TEAM LOOKS FOR:

- A Preaward Survey can focus on virtually every facet of a business such as: technical capability, financial stability, quality assurance capability, safety, etc. The preaward survey is a buyers opportunity to gain a wealth of information about a prospective supplier's capabilities. Listed below are the most commonly requested factors for evaluation:

## **TECHNICAL CAPABILITY**

An assessment of the offeror's key management/technical personnel to determine if they have the basic technical knowledge, experience and understanding of the requirements necessary to produce the required product or provide the required service. Adequate technical and/or management resources must be available during the period of performance in the event of an award.

## **PRODUCTION CAPABILITY**

An evaluation of the offeror's ability to plan, control and integrate manpower, facilities and other resources necessary for successful contract completion. This includes assessing and reporting the following: The offeror's Plan of Performance (POP); Organization & Management; Plant Facilities & Equipment; Materials & Purchased parts; Production Control System; Subcontracting; Labor Resources; current and past delivery performance.

## **QUALITY ASSURANCE CAPABILITY**

An assessment of the offeror's capability to comply with the Quality Assurance (QA) requirements as set forth in the solicitation. This will involve an evaluation of the offeror's QA System and quality history to assure compliance with the quality requirements of the solicitation.

## **FINANCIAL CAPABILITY**

The objective of the financial survey is to make a determination that the offeror has adequate financial resources, or access to them, to acquire needed facilities, equipment, materials, etc., necessary for successful completion of a specific contract as well as any existing DOD contract backlog. Adequate financing is one of the most important prerequisites for successful contract performance.

## **ACCOUNTING SYSTEM**

An assessment by the Defense Contract Audit Agency (DCAA) on the adequacy of the offeror's accounting system. Normally, an accounting system review will be requested when conditions such as progress payments or a cost or incentive type contract is contemplated. Requests for accounting system reviews will be processed on behalf of the DCMC.

## **GOVERNMENT PROPERTY CONTROL**

An assessment of the offeror's capability to manage and control government property. The scope and extent of the evaluation may vary depending on the type and quantity of government property involved.

## **TRANSPORTATION**

An assessment of the offeror's capability to comply with the laws and regulations applicable to the movement of government material or overweight, oversized, hazardous cargo, etc.

## **PACKAGING**

An assessment of the offeror's ability to meet the solicitation packaging requirements, including preservation, unit pack, packing, marking and unitizing for shipment.

## **SECURITY**

A determination that the offeror's facility clearance is adequate and current. This can include a determination of safeguarding capabilities as well.

## **SAFETY**

An assessment of the offeror's ability to comply with safety requirements specified in the solicitation. It is a mandatory DOD requirement to perform a Safety Preaward Survey on Ammunition & Explosives Contracts.

## **ENVIRONMENTAL/ENERGY**

An evaluation of the offeror's ability to meet specific environmental and/or energy requirements contained in the solicitation. Buyers should assure the inclusion of energy/environmental requirements in the solicitation before requesting an evaluation of this factor.

## **FLIGHT OPERATIONS/FLIGHT SAFETY**

An evaluation of the offeror's ability to meet specific Flight Operations/Flight Safety requirements in the solicitation.

## **OTHER**

Most frequently, this factor is used for any other special requirements of the solicitation.

## **TIPS FOR BUYERS:**

- DCMC has an abundance of information available concerning prospective suppliers. Make maximum use of DCMC resources when making supplier responsibility determinations.
- A listing of the cognizant DCMC office and PASM information is just a click away:  
[http://laxwebors1.dcmdw.dla.mil:8892/cisco/owa/webpk0016.dodaac\\_view](http://laxwebors1.dcmdw.dla.mil:8892/cisco/owa/webpk0016.dodaac_view)  
*If you experience any problems, please call the DCMC HQ POC at (703) 767-3356.*

- Once the decision has been made to request a formal preaward survey, contact the cognizant PASM immediately to discuss the preaward survey request. Early discussion of key requirements will save time.
- Provide any available data regarding the proposed supplier and the item history if known. This type of information will help DCMC in analyzing the supplier's performance record and focus on potential problem areas during the preaward survey.
- When establishing preaward survey due dates, FAR 9.106-2 specifies preaward requests shall allow at least 7 days to accomplish a survey; however, this is really a minimum and is dependent on the scope and extent of the survey. If the survey is complex, includes multiple factors or will require a secondary survey, additional time should be allotted.
- Assure the preaward survey package being forwarded to DCMC is complete and includes all pertinent data--drawings, solicitation, etc. Once the preaward package is ready for submittal to DCMC, an advance copy of at least the SF1403 should be faxed to the cognizant PASM.
- The use of express mail for delivery of the original package should be considered when timeliness is critical.

**NOTE:** For general information on DCMC, visit our Web Site at: <http://www.dcmc.hq.dla.mil/>